



## ***United States Attorney District of New Jersey***

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### **DEAL, NEW JERSEY RABBI PLEADS GUILTY TO MONEY LAUNDERING CONSPIRACY**

TRENTON, N.J. – Eliahu Ben Haim, formerly the principal rabbi of Congregation Ohel Yaacob, a/k/a Ocean Avenue Synagogue, in Deal, New Jersey, pleaded guilty today to conspiring to launder approximately \$1.5 million in funds that he believed were the proceeds of unlawful activities, United States Attorney Paul J. Fishman announced.

Eliahu Ben Haim, 59, of the Elberon section of Long Branch, New Jersey, pleaded guilty before United States District Judge Joel A. Pisano to an Information charging him with money laundering conspiracy. Judge Pisano continued Ben Haim's release pending sentencing on a \$1.5 million bond and home confinement with GPS tracking. Sentencing is scheduled for September 30, 2010.

According to documents filed in this case and statements made in Trenton federal court:

Ben Haim admitted that beginning in October 2006, he met with an individual he now knows was a cooperating witness with the United States (the "CW") and, for a fee of approximately 10 percent, agreed to launder and conceal the CW's funds through an already-existing underground money transfer network. Ben Haim admitted that, prior to laundering the CW's funds, the CW repeatedly told him that the funds the CW sought to launder were the proceeds of the CW's illegal businesses and schemes, including bank fraud, trafficking in counterfeit goods, and bankruptcy fraud.

In order to conceal and disguise the nature and source of the CW's funds, Ben Haim directed the CW to make the checks payable to several organizations that Ben Haim operated, including Congregation Ohel Eliahu, Friends of Yechave Daat, and Congregation Yehuda Yaaleh. Once he received the checks from the CW, Ben Haim deposited them into bank accounts held in the names of the organizations and then wired the proceeds of those checks to a co-conspirator in Israel described in the Information with the initials I.M. or, at I.M.'s direction, to bank accounts held by other individuals and corporations in various foreign countries, including Israel, Turkey, China, Switzerland and Argentina. I.M. would then make cash available through an underground money transfer network, including at the cash houses operated by Schmuell Cohen, a/k/a "Schmulik Cohen," Yeshaye Ehrental, a/k/a "Yeshayahu Ehrental," a/k/a "Yishay Ehrental," and Akiva Aryeh Weiss, a/k/a "Arye Weiss."

Ben Haim admitted that, despite being informed of the illicit nature of the funds, he engaged in approximately 35 money laundering transactions with the CW, in which he converted

approximately \$1.5 million in checks into approximately \$1.35 million in cash, retaining a fee of approximately \$150,000 for engaging in those transactions.

Today's guilty plea stems from a two-track undercover Federal Bureau of Investigation (FBI) investigation into public corruption and international money laundering which resulted in the charging of 44 individuals via criminal Complaints on July 23, 2009. At that time, Ben Haim, Cohen, Weiss and Ehrental were each charged in separate criminal Complaints. Cohen, Weiss, and Ehrental each pleaded guilty in April 2010 to operating illegal money transmitting businesses, admitting that they transferred thousands of dollars in cash to Ben Haim and to the CW on behalf of Ben Haim.

The charge to which Ben Haim pleaded guilty carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine. In addition, Ben Haim agreed to forfeit approximately \$1.5 million, including approximately \$630,524.78 that was seized by the FBI from various bank accounts that he operated, his residence, and his vehicle on July 23, 2009. He further agreed that, prior to sentencing, he will pay \$100,000 to the United States in lieu of forfeiture of his residence in Elberon.

In determining an actual sentence, Judge Pisano will consult the advisory U.S. Sentencing Guidelines, which recommend sentencing ranges that take into account the severity and characteristics of the offenses, the defendant's criminal history, if any, and other factors. The judge, however, has discretion and is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all of that time.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and Special Agents of the Internal Revenue Service Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord. Fishman also thanked the Monmouth County Prosecutor's Office, under the direction of Prosecutor Luis Valentin, for its assistance in the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorneys Maureen Nakly and Mark McCarren of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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Defense Counsel: Lawrence S. Lustberg, Newark, N.J.